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FEDERAL ENERGY REGULATORY COMMISSION

November 21, 2002

Ms. Magalie R. Salas, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

Re: Algonquin Gas Transmission Company.

Docket Nos. CP01-5-000, -001 and -002

tever E. Tillman/mm

HubLine Project

Dear Ms. Salas:

Algonquin Gas Transmission Company ("Algonquin") herewith submits its weekly report in compliance with Environmental Condition No. 9 in the Appendix to the Federal Energy Regulatory Commission's December 21, 2002 "Order Issuing Certificates" in the captioned proceedings. Attached is Algonquin's weekly report for the period ending November 16, 2002.

If you have any questions, please contact Carol Smith, Project Manager, Regulatory Affairs, at (713) 627-5028.

Sincerely,

Steven E. Tillman

General Manager Regulatory Affairs

Cc:

Mr. Button (FERC)

Mr. Leiss (FERC)

Mr. Shenot (FERC)

Ms. Turner (FERC)

ALGONQUIN GAS

Houston, TX 77056

Mailing Address:
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TRANSMISSION COMPANY 5400 Westheimer Court

Houston, TX 77251-1642

Week Ending:

November 16, 2002

Report #7

Construction:

Summary - Mainline Construction

Construction continued during the week of November 16th with horizontal directional drilling ("HDD") operations at the Weymouth and Salem locations.

At Weymouth work included installation of the goal posts, lifting the drill motor onto the Jackup Barge "Choctaw" that had been repositioned to align with the HDD exit point, and preparations for reaming of the pilot hole.

Drilling operations at the Salem HDD were suspended on November 14th at 1430 hours after a frac-out was detected at approximately MP 24.45. The frac-out affected an area of approximately 120 feet in diameter. The contractor initiated measures to remove the bentonite but was delayed due to weather over the weekend. Removal operations are anticipated to be reactivated on November 19th pending favorable weather. The contractor is taking steps to attempt to seal the fracture and drilling is anticipated to recommence on Tuesday afternoon, November 19th.

Activity	% Completion	Comments
Additional Geotechnical Investigations	80%	Geotechnical investigations continue to confirm the presence of bedrock.
Salem HDD Pilot Hole	85%	HDD pilot hole operations stopped after a frac-out was detected on the 14 th . Pilot hole was approximately 85% complete.
Salem HDD Marine Support Preparation	0%	Marine support preparation will begin after the pilot hole is completed.
Weymouth HDD Pilot Hole	100%	HDD pilot hole operations complete. Environmental training of Weymouth HDD workers continuing as needed.
Weymouth HDD Marine Support Preparation	50%	Installation of equipment at the HDD pilot hole exit point continues with goal post assemblies and welding of the casing for mud capture.
Pre-Construction Preparation / Activities	70%	Algonquin environmental and construction staff continued to coordinate with the marine contractors on various aspects of the project

Activity	% Completion	Comments
		including, environmental training, interpretation of permit conditions and communications protocols.
		Stolt's vessel the American Star has completed repairs and will resume preconstruction survey activities this week.
Blasting	0%	Stolt's vessel Drill 8 arrived on site and began its pre-blast orientation this week.
Lay Pipeline	0%	
Offshore Dredging	0%	
Post-Lay Plow	0%	
Post-Lay Jet	0%	
• Stringing	0%	
• Welding	0%	
 Coating 	0%	
• Lowering-in	0%	
Backfill	0%	
Hydrostatic Testing	0%	
Tie-Ins / Drying	0%	

Construction Summary by Municipal Jurisdiction

A summary of construction progress through each municipality on the project is provided in the following table.

Municipality	Active Construction	Comments
Salem	Drilling operations at the Salem HDD were suspended on November 14th at 1430 hours after a frac-out was detected at approximately MP 24.45. The frac-out affected an area of approximately 120 feet in diameter. The contractor initiated measures to	Additional construction related information regarding the land based drilling operations is provided in the Maritimes Phase III weekly report.

Municipality	Active Construction		Comments	
	remove the bentonite but was delayed due to weather over the weekend. Removal operations are anticipated to be reactivated on November 19th pending favorable weather. The contractor is taking steps to attempt to seal the fracture and drilling is anticipated to recommence on Tuesday afternoon, November 19th. All applicable agency notifications were made.			
Beverly		Harris		
Marblehead				
Swampscott		3	6.5 6.5	
Lynn				
Nahant				
Winthrop		And the second	erv Angel	
Boston				
Hull	X			
Quincy				
Weymouth	Set-up for HDD reaming passes continued with the installation of a casing for fluid capture and support structures. Reaming is expected to commence the week of November 18 th .	HDD pilot hole is complete. Jack Up "Choctaw" and a skid barge outfitted with a crane moved to the pilot hole exit point. Construction continues with the installation of the support structures for the casing needed for mud control. Erosion control measures are adequate to handle the seasonal rainfall at the HDD land site.		

Summary of Issues, Problems, and/or Non-compliance Observed and Corrective Actions Taken:

Date Description

November 11, 2002

The American Star Dive Boat was issued a non-compliance after running aground at MP19.75. The damage resulted in a gray water

tank failure between the point of impact and the Gloucester Pier Facility. The American Star had its repairs completed and is expected to resume preconstruction surveys on November 19th. All the related information required for this action was not available to be reported last week due to the reporting timeframe.

November 14, 2002

A non-compliance was written regarding the Salem/Beverly fracout on November 14th at approximately MP 24.4. Clean up of the drilling mud is underway.

3rd Party Inspectors/Agency Monitors On Site:

None.

Name	3PI/Agency	Date	Location/Activity

Landowner/Resident Complaints:

The Algonquin Project Landowner Hotline system received no calls during this reporting period. Please note that the Algonquin Project Landowner Hotline was checked regularly throughout the week at various times of the day to ensure proper operation. In all test cases the Hotline worked appropriately.

Caller	Date	Tract #/ Town	Concern Noted	Resolution
None				

Plan and Schedule for Upcoming Week:

Work for the upcoming week will include:

- Continue HDD operations at Weymouth and Salem.
 - The water quality team will be on standby to commence sampling at Weymouth HDD exit point as the pilot hole reaming process commences.
 - The Jack Up "Arapaho" will be moved into position at the Beverly exit point to set up for HDD drilling operations back to the HDD entry point at Salem/Beverly.
- The Jack Up "Choctaw" will continue installation of the casing over the HDD drill motor casing at Weymouth for mud capture.
- The "Choctaw" will get underway to East Boston to take on the drill rig; it will then move back to the Weymouth HDD exit point and set-up. There is a Skid and Spud barge at the Weymouth HDD site in support of the "Choctaw" operations.
- The American Star Dive Boat has completed repairs and will continue with the preconstruction survey of the HubLine route
- Drill 8 will be inspected by the US Coast Guard on Tuesday the 19th and will continue to prepare for blasting.
 - After repairs to the Dredge 53 are completed this week, operations will continue.
- Environmental training is scheduled for crews of the Drill 8 blast vessel, the Dredge 51, and additional workers as they are mobilized to the work site.

Other Comments:

To date, a total of 177 project personnel have been environmentally trained. Thirteen were trained during the week ending November 16, 2002.

Week Ending:

November 23, 2002

Report #8

Construction:

Summary - Mainline Construction

Construction continued during the week of November 23 with horizontal directional drilling ("HDD") activities in Salem/Beverly Harbor and Weymouth Fore River.

The Choctaw (class 200 Jack-up) arrived in Beverly Harbor to assist RDA with installation of the sound barrier on Saturday November 23. Breeds Hill crew boat is on site transporting personnel to and from the Chocktaw. The Chocktaw will continue to help with all piling installation requirements in Beverly until the Class 205 M/V Amberjack arrives, or the Salem pilot finishes.

Clean up efforts at the Salem Landfall HDD frac-out were completed. Attempts to seal the frac-out and continue drilling in the original pilot hole were unsuccessful. A decision has been made to pull back approximately 1800 feet and kick out of the current pilot hole and go deeper. This will be accomplished by grouting the current hole from joint 82 back to joint 67, thus creating resistance so that the drill motor can achieve enough deflection to target the Bottom Hole Assembly (BHA) on the desired Azimuth. Drilling is expected to resume on November 26th.

The required pilings, goal posts and exit location casing for fluid containment offshore have been installed at the Weymouth Landfall area. Supports for the noise control curtains are continuing at the Weymouth exit location.

Activity	% Completion	Comments		
Additional Geotechnical Investigations	50%	Geotechnical investigations continue to confirm the presence of bedrock.		
Salem HDD Pilot Hole	82%	Clean up operations were completed on 11/23/02 at the frac-out location. Drilling is scheduled to resume on 11/26/02.		
Salem HDD Marine Support Preparation	0% Marine support preparation w after the pilot hole is complete			
Beverly HDD Exit Hole Marine Support Preparation	20%	Positioning of the "Choctaw" and a Spud Barge loaded with goal posts and mooring pilings are on station at the Beverly HDD Exit Point		
Beverly HDD Pilot Hole	0%	Pilot hole drilling will commence after the marine support preparations are		